

Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Great Houghton Parish Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	21 st April 2021
Year ending:	31 March 2021	Date audit carried out:	19 th April 2021

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

Thank you very much for sending documentation as requested enabling me to conduct the Internal Audit for the Parish Council remotely, due to the Covid 19 pandemic. Thank you to the Clerk, Mr Billingham, for being available to ensure I have all the documents necessary to carry out the Audit and for assisting me with resulting enquiries.

I examined Book Keeping, Due Process, Risk Management, Bank Reconciliations, Internal Control, Year-End Procedures and performed a detailed scan of the minutes via the website. I also sought evidence that previous Audit Reports have been actioned.

I am pleased to say I found all very satisfactory, and that Mr Billingham was able to answer my questions correctly. I draw your attention to the following comment:

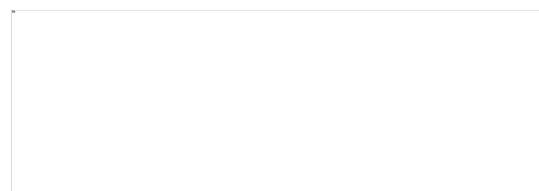
- I was concerned to read via the Minutes that there are numerous claims for Clerk's Expenses some of which are amounting to significant monies. On testing this process, I can see that the Clerk is using his own personal monies to make purchases for the Council and is then claiming the funds back. I would advise the Council to establish other methods to manage its expenditure as it is putting, unnecessarily, on the goodwill of the Clerk. I would encourage the Council to open accounts with suppliers for items of stationery and issue purchase orders for larger items requesting invoices to then be paid. Changing this process will also ensure greater transparency, as the Minutes will then detail individual purchases rather than Clerk's Expenses. An example of this would be to show the purchase of a laptop rather than an amount of claimed expenses.

I have absolutely no concerns about the management of the Parish Council's finance and commend the Clerk for the excellent way in which he has administered the Parish Council's

accounts; I would ask the Council to be mindful of the way it is asking Mr Billingham to use his own funds.

In these challenging times, I would like to congratulate the Clerk for ensuring the Council is well managed and I wish Great Houghton Parish Council a successful and safe 2021/2022. I look forward to returning to complete the Internal Audit next year.

Yours sincerely,



Mrs TL Charteress CiLCA
Internal Auditor to the Council
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	27,764	18,669
2. Annual precept	20,300	27,500
3. Total other receipts	3,991	13,109
4. Staff costs	5,125	5,269
5. Loan interest/capital repayments	6,266	6,267
6. Total other payments	21,995	18,536
7. Balances carried forward	18,669	29,206
8. Total cash and investments	18,669	29,206
9. Total fixed assets and long-term assets	402,625	404,927
10. Total borrowings	19,971	14,599

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf>